GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2841
ANSWERED ON:06.12.2001
PROFIT/COMMISSION EARNED BY SKO DEALERS
RAMESH CHAND TOMAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the total gross profit/commission earned by SKO dealer on a sales of 75 KLs per month, considered as Economical viable sales;

(b) whether the costs elements are considered value-wise for deciding Dealer`s commission of these dealers and their net income for their livelihood;

(c) whether there is net loss or negligible profit earning by them and the reasons/justification for developing this system;

(d) whether such dealers are forced to earn livelihood through malpractices; and

(e) if not, the steps taken/proposed to be taken for improving the system?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS` PARLIAMENTARY AFFAIRS(SHRI SANTOSH KUMAR GANGWAR)

(a): The gross commission earned by the SKO dealers on a sale of 75 KLs per month is as under:

(i) dealers having license in form XIII - Rs.12,675 per month

(ii) dealers having license in other than form XIII - Rs.9,450 per month

(b): The SKO dealers` commission takes into account the following cost elements:

(i) return on capital investment

(ii) return on additional investment in equipment (applicable for dealers having license in form XIII)

(iii) return on working capital

(iv) operating cost

(v) product loss

(c): There is no net loss or negligible profit earning by the SKO dealers as the commission takes into account the cost elements mentioned at (b) above.

(d) : No, Sir.

(e): Does not arise in view of (c) & (d) above. The SKO dealers`s commission is revised by the Government from time to time.